



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Central Valley Project, California-Oregon Transmission Project, Pacific Alternating Current Intertie, Third-Party Transmission-Rate Order No. WAPA-185

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Extension of Power, Transmission and Ancillary Services Formula Rates.

SUMMARY: Western Area Power Administration proposes to extend existing formula rates through September 30, 2024, for: Central Valley Project (CVP) power, transmission and ancillary service; California-Oregon Transmission Project transmission; Pacific Alternating Current Intertie transmission; and third-party transmission. The current rates expire on September 30, 2019.

DATES: The consultation and comment period will begin with the publication of this notice and will end on **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**. WAPA will accept written comments any time during the consultation and comment period.

ADDRESSES: Send written comments to: Mr. Arun Sethi, Power Marketing Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, or e-mail asethi@wapa.gov. WAPA will post information on the proposed rate extension to its website at <https://www.wapa.gov/regions/SN/rates>.

FOR FURTHER INFORMATION CONTACT: Ms. Autumn Wolfe, Rates Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, (916) 353-4686, or e-mail wolfe@wapa.gov.

SUPPLEMENTARY INFORMATION: On July 14, 2016, the Federal Energy Regulatory Commission (FERC) approved Rate Order No. WAPA-173¹, which extended the rates listed below for three years from October 1, 2016, through September 30, 2019.

- CV-F13 (Base Resource and First Preference Power),
- CPP-2 (Custom Product Power),
- CV-T3 (Firm and Non-Firm Point-to-Point Transmission Service),
- CV-NWT5 (Network Integration Transmission Service),
- COTP-T3 (Firm and Non-Firm Point-to-Point Transmission Service),
- PACI-T3 (Firm and Non-Firm Point-to-Point Transmission Service),
- CV-TPT7 (Third-Party Transmission Service),
- CV-UUP1 (Unreserved Use Penalties),
- CV-RFS4 (Regulation and Frequency Response),
- CV-SPR4 (Spinning Reserves),
- CV-SUR4 (Supplemental Reserves),
- CV-EID4 (Energy Imbalance Service), and
- CV-GID1 (Generator Imbalance).

¹ See *U.S. Department of Energy, Western Area Power Administration*, Docket No. EF16-3-000, 156 FERC ¶ 62,039 (2016). FERC originally approved the rate on December 2, 2011. See *U.S. Department of Energy, Western Area Power Administration*, Docket No. EF11-9-000, 137 FERC ¶ 62,201 (2011).

WAPA proposes to extend the existing formula rates, without any adjustments, for five years from October 1, 2019, through September 30, 2024. WAPA is taking action under 10 CFR 903.23(a).

These formula rates allow for recalculation of unit charges and revenue requirements at least annually. WAPA notifies customers of annual changes in writing, at customer meetings, and by posting on WAPA's website. The existing formula rates provide sufficient revenue to pay all annual costs, including interest expense, and repay required investments within the allowable period consistent with the cost recovery criteria set forth in DOE Order RA 6120.2.

Extending the rates through September 30, 2024, will: (1) ensure continued cost recovery; (2) allow time to develop rates under the new power marketing plan effective January 1, 2025; and (3) provide WAPA and its customers time to evaluate the Bureau of Reclamation initiatives, including the final CVP Cost Allocation Study results and credits and offsets from the Central Valley Project Improvement Act.

Effective November 19, 2016, the Secretary of Energy delegated, through Delegation Order No. 00-037.00B: (1) the authority to develop power and transmission rates to WAPA's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand or to disapprove such rates to FERC. Effective November 1, 2018, the Secretary of Energy delegated, through Delegation Order No. 00-002.00Q, the authority (on a non-exclusive basis) to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary of Energy.

WAPA will not hold public information or public comment forums but is initiating a 30-day consultation and comment period in accordance with 10 CFR 903.23(a)(2). Written comments

on the proposed rate extension must be received prior to the end of the consultation and comment period to be considered by WAPA in its decision process. WAPA will post comments received to its website, <https://www.wapa.gov/regions/SN/rates>, after the close of the consultation and comment period. After considering comments, WAPA will take further action on the proposed formula rate extension consistent with 10 CFR part 903.23(a).

Dated: November 28, 2018.

Mark A. Gabriel,
Administrator.

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